

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1779 - SB 1464

March 15, 2011

SUMMARY OF BILL: Prohibits a dental health plan from requiring a dentist to provide services to covered individuals at a fee set by the insurance entity unless the services are covered services under the dental plan. Defines “covered services” as services reimbursed under the dental plan that pays at least 50 percent of the dentist's prevailing fee, administered consistently with policies traditionally governing covered services.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation will not result in a significant increase in the cost of health insurance premiums for dental services.

Assumptions:

- The Department of Commerce and Insurance will be responsible for administration and enforcement of the bill which will be accomplished through the receipt and investigation of complaints. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The proposed definition of covered services creates a standard in which all reimbursement rates for services under the plan will have to be at least 50 percent of a dentist's fee.
- It is estimated that dental rates provided through TennCare's dental benefits manager are currently at least 50 percent of the fees charged by dentists enrolled in the provider network. There will not be a direct increase in dental provider rates for TennCare enrollees.
- According to the Department of Finance and Administration, the provisions of the bill will not have a significant impact on the monthly premium rates of the CoverKids program.
- The dental plans offered to participants in the state sponsored public sector health plans are optional and the employee pays all coverage, therefore no fiscal impact to the state sponsored plans.

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- Local governments that offer dental health coverage that are not part of the state sponsored health plans will be set up similarly as the state dental benefit program. Any impact to local governments will not be significant.
- Private sector health premium impact: The provisions of the bill will not result in a significant increase in the rates paid to dental providers within private health insurance networks. Without a significant rate increase, premiums will not significantly increase.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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